

Message Text

SECRET

PAGE 01 DAMASC 08478 01 OF 03 131219Z
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FM AMEMBASSY DAMASCUS
TO SECSTATE WASHDC 899
INFO AMEMBASSY AMMAN
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AMEMBASSY CAIRO
AMEMBASSY JIDDA
AMEMBASSY TEL AVIV

S E C R E T SECTION 1 OF 3 DAMASCUS 8478

EXDIS

E.O. 11652: GDS
TAGS: PFOR, SY, XF, US
SUBJECT: SYRIAN LEADERSHIP BEGINS TO CONTEMPLATE ITS ROLE IN
PEACE PROCESS

1. SUMMARY:

ASAD IS NOW READY TO BRING SYRIA BACK INTO THE
PEACE PROCESS. RESENTMENT OF PALESTINAIN INGRATITUDE COUPLED
WITH AWARENESS OF THE COST OF SYRIA'S OWN DEVELOPMENT IN-
CURRED BY ITS SUPPORT OF THE PALESTINIAN CAUSE WILL INFLUENCE
HIS APPROACH TO NEGOTIATIONS. THERE IS ALSO LESS HEARD
OF THE OLD "IMPERIALIST-ZIONIST CONSPIRACY" THEORY AND A
READINESS TO ACCEPT THAT ARABS NEED AND ARE ABLE TO PUT
THEIR OWN HOUSE IN ORDER.

2. SYRIA'S LEADERS AND ARE CURRENTLY DENYING ANY INTEREST IN
FORMING A FEDERATION WITH JORDAN, LEBANON AND A FUTURE
PALESTINIAN STATE, WHILE TAKING CERTAIN MODEST STEPS
TOWARDS CLOSER LINKS WITH AMMAN. AT CAIRO NEXT WEEK,
ASAD MAY EMERGE AS AN INNOVATIVE CONTRIBUTOR TO THE
PEACE PROCESS. BASED ON PAST PERFORMANCE, HOWEVER, THIS
IS UNLIKELY. HE IS, BY ALL SIGNS, LESS OPTIMISTIC ABOUT

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PAGE 02 DAMASC 08478 01 OF 03 131219Z

ISRAELI FLEXIBILITY AND LESS CERTAIN OF AMERICAN WILL

TO BRING ABOUT A SETTLEMENT THAN SADAT. HE IS ALSO PERSONALLY LESS FLEXIBLE THAN SADAT. SHOULD THE PEACE PROCESS NOT GET MOVING, THE RECENTLY HEALED WOUNDS OF SYRO-EGYPTIAN RIVALRY COULD REOPEN.

3. HOWEVER, NEITHER DOMESTIC OPPOSITION TO NEGOTIATIONS NOR RADICAL ARAB PRESSURES ARE LIKELY TO DETER ASAD FROM BEGINNING NEW TALKS. SYRIAN-PLO RELATIONS WILL EXERCISE COMPLEX PRESSURES ON HOW DAMASCUS WILL APPROACH NEGOTIATIONS. DAMASCUS MAY ALREADY BE WORKING TO MAKE THAT LEADERSHIP MORE RESPONSIVE TO SYRIAN CONTROL. ASAD NEEDS PEACE FOR THE SAKE OF SYRIA'S NATIONAL DEVELOPMENT. HE WILL BRING HIS FAMILIAR TOUGHNESS TO THE PROCESS AND KEEP OPEN HIS MILITARY SUPPLY LINE TO THE SOVIETS TO MAINTAIN A CREDIBLE ALTERNATIVE TO NEGOTIATIONS. HOW FAR HE IS READY TO GO ALONG WITH SADAT IN NEGOTIATIONS IS UNCLEAR, BECAUSE HE IS UNDER FAR LESS ECONOMIC PRESSURE AND PROBABLY LESS TIME PRESSURE THAN SADAT. ANOTHER OVER-ALL STALEMATE IS LIKELY IF THE ARE UNABLE TO SYNCHRONIZE THEIR APPROACHES TO A SETTLEMENT. THERE ARE ENCOURAGING PROSPPECTS FOR AMERICAN POLITICAL INFLUENCE IN DAMASCUS IN CONNECTION WITH THE PEACE PROCESS. END SUMMARY.

4. NEW AWARENESS OF SYRIAN NATIONAL INTEREST:

FOR THE PAST SIXTEEN MONTHS, DAMASCUS HAS ENGAGED IN A SERIES OF INTENSE SIDE BATTLES, BEGINNING IN SEPTEMBER 1976 AGAINST EGYPT FOR HAVING SIGNED SINAI II AND THROUGHOUT 1976 AGAINST SYRIA'S POLITICAL AND MILITARY OPPONENTS IN LEBANON. THESE CONFRONTATIONS TOTALLY ABSORBED THE ENERGY OF THIS LEADERSHIP AND KEPT IT FROM HAVING TO FORMULATE A SYRIAN POSITION VIS--VIS THE PEACE PROCESS. THESE SAME CONFRONTATIONS MEANWHILE SERVED TO CRYSTALIZE FOR SYRIANS AWARENESS OF HOW COSTLY TO THEIR NATIONAL DEVELOPMENT HAS BEEN THEIR ROLE IN ARAB WORLD POLITICS, PARTICULARLY THAT OF ACTING AS PRIME BACKER OF THE PALESTINIAN CAUSE. TODAY, MORE THAN EVER BEFORE DURING THEIR 30 YEARS O INDEPENDENCE, SYRIANS ARE RESENTFUL OF THE SACRIFICES THEY HAVE MADE FOR THE PALESTINIANS.

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PAGE 03 DAMASC 08478 01 OF 03 131219Z

5. THE CONFRONTATIONS OF THE PAST YEAR HAVE DRIVEN HOME THAT SYRIA BEST SERVES ITS OWN INTERESTS WHEN IT WORKS IN HARMONY WITH CAIRO AND RIYADH. ASAD'S AGREEMENT LAST JUNE TO "ARABIZE" HIS EFFORTS FOR A LEBANESE SOLUTION BY ACCEPTING MILITARY UNITS FROM OTHER ARAB STATES, BEGAN A PROCESS WHICH ENDED IN THE RIYADH AND CAIRO SUMMITS AND THE ENDORSEMENT OF SYRIA'S PREMINENT ROLE IN LEBANON. THIS SWIFTLY ENDED SYRIA'S DIPLOMATIC ISOLATION AND EASED THE FINANCIAL

BURDENS OF ITS LEBANESE CAMPAIGN. SYRIA'S RECONCILIATION WITH CAIRO ALSO PAID OFF IN TERMS OF DIMINISHED DOMESTIC TENSIONS AND PREPARED THE WAY FOR WHAT DAMASCUS BELIEVES WILL BE FURTHER SUBSTANTIAL FINANCIAL ASSISTANCE FROM THE CONSERVATIVE OIL STATES.

6. THE MOOD OF SYRIA'S LEADERSHIP TODAY IS ONE OF SOBER ELATION. SAD, KHADDAM AND THE PRESIDENT'S OTHER ADVISORS ARE TOO KEENLY AWARE OF THE DIFFICULT ROAD AHEAD IN PACIFYING LEBANON AND REVAMPING THEIR TIES WITH THE PLO TO BOAST OF THEIR DIPLOMATIC AND MILITARY SUCCESSES. THE SEPTEMBER TERRORIST ATTACK ON THE SEMIRAMIS HOTEL AND THE RECENT ATTEMPT ON KHADDAM'S LIFE ARE REMINDERS THAT FOR ALL THE VAUNTED PROWESS OF ITS SECURITY SERVICES, THIS REGIME CANNOT FORESTALL VIOLENT ACTIONS AGAINST IT.

7. THE WINDING DOWN OF ACTIVE HOSTILITIES IN LEBANON HAS REVEALED ONE ENCOURAGING NEW ASPECT OF THE POLITICAL MOOD HERE. THE SYRIAN LEADERSHIP HAS COME TO BLAME THE LEBANESE CRISIS LESS ON ARABISM'S TRADITIONAL "ARCHENEMIES," IMPERIALISM AND ZIONISM, THAN ON THE ARABS THEMSELVES. IN THIS COUNTRY, LONG ADDICTED TO THE "CONSPIRACY" THEORY, THERE IS NOW AN UN-ARAB, AND MOST DEFINITELY UN-SYRIAN, READINESS TO ACCEPT THAT ARABS CAUSED THEIR OWN MESS IN LEBANON AND, MORE GENERALLY, THAT ARABS HAVE THE PRIMARY RESPONSIBILITY TO HEAL THEIR DIVISIONS. THIS NEW MATURITY, COUPLED WITH A GROWING IMPATIENCE TO GET ON WITH THE ECONOMIC DEVELOPMENT OF SYRIA, SEEMS BOUND TO AFFECT SYRIA'S FORMULATION OF ITS APPROACH TO THE NEXT STAGE OF THE MIDDLE EAST PEACE PROCESS.

8. SYRIA-JORDANIAN TIES:

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PAGE 04 DAMASC 08478 01 OF 03 131219Z

WHILE SYRIA'S UNIONIST INSTINCTS ARE TRADITIONAL AND DEEP, IT WILL MOVE INTO THE PEACE PROCESS EXPECTING TO COORDINATE ITS NEGOTIATING POSITION WITH THE OTHER ARABS AND NOT IN A POSITION TO IMPOSE ITS DESIRES ON ANY OTHER ARAB COUNTRY. SYRIAN SPOKESMEN HAVE BEEN QUICK TO DENY, AND NOT RPT NOT JUST DOWNPLAY, RECENT REPORTS THAT DAMASCUS SEEKS TO BUILD A FEDERAL ARRANGEMENT WHICH WILL INCLUDE AMMAN, BEIRUT AND A PALESTINIAN STATE. SYRIA HAS MADE SEVERAL PRACTICAL, OVERT MOVES TOWARDS CLOSER LINKS WITH JORDAN AND 1976 IS ENDING ON THE UPBAT NOTE THAT AMMAN AND DAMASCUS ARE EXPLICITLY INTERESTED IN SOME SORT OF FUTURE FEDERAL ARRANGEMENT. BUT THE EFFORTS TO DATE HAVE BEEN DELIBERATELY KEPT UNDRAMATIC AND THE JOINT ACCOMPLISHMENTS ARE LIMITED. PROGRAMS FOR CLOSER COOPERATION IN CIVIL AVIATION, EDUCATION ECONOMIC DEVELOPMENT, ETC. SEEM RELATIVELY

MODEST. THEY MAY ONE DAY SERVE AS A STRONG ENOUGH PLATFORM
FOR MORE FORMAL POLITICAL AND MILITARY TIES. BUT SYRIA'S
PRESENT AIM IS NEITHER TO UNSEAT HUSSEIN NOR TO MOVE
AGGRESSIVELY IN ANY OTHER WAY AGAINST JORDANIAN SOVEREIGNTY.

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PAGE 01 DAMASC 08478 02 OF 03 131316Z
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S E C R E T SECTION 2 OF 3 DAMASCUS 8478
EXDIS
9. LEBANON:

SYRIA'S INTENTIONS AND ASPIRATIONS IN LEBANON ARE NOT
YET FULLY TESTED. ASAD HAS DEFERRED PUBLICLY TO SARKIS IN
ALL MATTERS AFFECTING ADMINISTRATION OF LEBANON INCLUDING
DEPLOYMENT OF SYRIAN SECURITY FORCES. THERE ARE REPORTS
THAT ASAD URGED SARKIS TO "REVOLUTIONIZE" THE LEBANESE
LEADERSHIP BY FORMING A GOVERNMENT OF TECHNOCRATS, THEREBY
DEPRIVING LEBANON'S AGING POWER BROKERS OF ANY POLITICAL
FUTURE. THERE IS NO EVIDENCE THAT ASAD WANTS TO ANNEX ANY
PART OF THAT COUNTRY. HE INTENDS TO BRING HIS ARMY BACK
HOME AS QUICKLY AS POSSIBLE, LEAVING BEHIND AN "INDENDENT"
LEBANON OVER WHICH HE UNDOUBTEDLY EXPECTS TO REMAIN THE
PREDOMINANT OUTSIDE INFLUENCE.

10. A POLITICALLY INDEPENDENT STATE OF LEBANON
WITH ITS FREE ENTERPRISE ECONOMY, HAS BROUGHT DEFINITE
ADVANTAGES TO SYRIA IN THE PAST. FURTHERMORE, THE PAST 18
MONTHS OF INTIMATE DEALINGS WITH LEBANESE POLITICAL COMPLEXITIES
HAVE DEMONSTRATED JUST HOW INDIGESTIBLE LEBANON WOULD BE SHOULD
DAMASCUS TRY TO SWALLOW IT.

11. EGYPTIAN RELATIONS:

ON HIS FORTHCOMING TRIP TO CAIRO, ASAD WILL BE POR-
TRAYED AS AN EQUAL IN PLANNING A JOINT ARAB APPROACH TO
THE PEACE NEGOTIATIONS. THIS IS A USEFUL IMAGE FOR HIM
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PAGE 02 DAMASC 08478 02 OF 03 131316Z

TO PROJECT WITHIN SYRIA AND SUPPORTIVE OF HIS NEWLY
RESTORED PARTNERSHIP WITH SADAT. ASAD MAY SURPRISE US AND
EMERGE AS AN INNOVATIVE CONTRIBUTOR TO THE PEACE PROCESS.
BUT BASED ON HIS PAST PERFORMANCE, BEFORE THE SYRO-
EGYPTIAN FALLING OUT OVER SINAI II, HE MORE LIKELY WILL
ADOPT A DEFERENTIAL POSTURE ECHOING SADAT, READY TO MOVE
WITH, BUT ONE STEP BEHIND, HIS EGYPTIAN COLLEAGUE. THERE
IS A DIFFERENCE IN STYLE BETWEEN THE TWO LEADERS. SADAT
TALKS BUOYANTLY ABOUT PROGRESS TOWARDS A SETTLEMENT IN
THE COMING MONTHS. ASAD'S TACITURN COMMENT IN A RECENT
PRESS INTERVIEW THAT, " I DID NOT SAY THE TIME WAS NOT RIPE,"
SHOWS HE IS NO SALESMAN. IN ADDITION, HOWEVER, THE TWO
PERHAPS STILL EVALUATE DIFFERENTLY THE PROSPECTS FOR MOVE-
MENT TOWARDS PEACE. ASAD HAS A LESS OPTIMISTIC APPRAISAL
OF THE LIMITS OF ISRAELI FLEXIBILITY AND THE EXTENT OF
AMERICAN WILL BE INFLUENCE ISRAEL AND MAY ALSO HIMSELF
BE MORE INFLEXIBLE THAN SADAT. WE SHOULD BE WARY OF
EGYPTIAN ASSURANCES THAT THEY CAN BRING ASAD ALONG.

12. MUCH HAS BEEN WRITTEN OF A "DEAL" AT YIRADH WHEREBY
ASAD WOULD STOP CRITICIZING SINAI II IN RETURN FOR A FREE
HAND IN LEBANON. WE HAVE NO BASIC QUARREL WITH THAT
HYPOTHESIS BUT ARE UNCERTAIN ABOUT WHAT WEIGHT TO ALLOT
TO THE VARIOUS MOTIVATIONS WHICH REPORTEDLY LED TO THE DEAL.

ONE FACTOR WAS THE IMPENDING U.S. ELECTION AND ADVICE
OF TITO, AN INFLUENTIAL FRIEND OF EGYPT AND SYRIA, TO RE-
CONCILE THEIR DIFFERENCES TO FACE THE NEW U.S. ADMINISTRATION.
BUT PERHAPS MOST SIGNIFICANTLY, ASAD WENT TO RIYADH
FEELING MORE ACUTE ECONOMIC PRESSURES ON SYRIAN THAN HE HAD
AT THE ABORTIVE SYRO- EGYPTIAN PRIME MINISTERIAL CONFERENCE
AT RIYADH THE PREVIOUS JUNE. WE ALSO SUSPECT
THAT THE SPEED OF THE SYRO-EGYPTIAN RECONCILIATION INDICATED
THAT BOTH SIDES WANTED TO FIND A WAY OUT OF THEIR PROLONGED
AND INCREASINGLY STERILE CONFRONTATION. EACH SEEMS TO HAVE
REALIZED HE COULD NOT BRING THE OTHER DOWN.

13. IN ANY EVENT, THE SYRO-EGYPTIAN FRIENDSHIP BEARS THE
SCARS OF MANY RECENTLY HEALED WOUNDS AND RENEWED RIVALRY IS A
GOOD POSSIBILITY SHOULD THE PEACE PROCESS NOT GET UNDERWAY
IN THE COMING MONTHS OR MOVE IN A WAY UNACCEPTABLE TO
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PAGE 03 DAMASC 08478 02 OF 03 131316Z

ASAD. IN THE 50'S AND 60'S, SYRIA'S CAPABILITY AND DESIRE TO PLAY A ROLE IN THE SEARCH FOR AREA STABILITY AND EVEN TO FOSTER ARAB UNITY WERE SLIGHT. MEMORIES OF THE DAMAGE DAMASCUS WROUGHT TO THE BAGHDAD PACT AND THE FACT OF THE 1958-61 SYRO-EGYPTIAN UNION ARE STILL VIVID. THE VICIOUSNESS OF SYRIA'S ATTACK ON SINAI II IN LATE 1975 SERVED AS A REMINDER OF ITS SKILL AS "A BORN SPOILER." PERHAPS NO ONE IN THE SUMMER OF 1975, HOWEVER, FORESAW THE LENGTHS TO WHICH SYRIA WOULD BE PREPARED TO GO IN SAVAGING EGYPT ABOUT SINAI II. (IT HAD SPOKEN OF THE PROSPECTIVE ACCORD IN SUCH MUTED TERMS AS "IT COULD BE AWKWARD" AND "VERY DIFFICULT" IF EGYPT TOOK AN INDEPENDENT COURSE.) DAMASCUS REPORTEDLY REJECTED ADVICE EVEN FROM THE PLO LEADERS TO TREAT SINAI II AS A REGRETTABLE BUT CLOSED CHAPTER. THE SYRIANS, OF COURSE, FINALLY NOT ONLY EMBARRASSED THE EGYPTIAN LEADERSHIP BUT INCITED IT TO COUNTERATTACK, INCLUDING ASSISTING IRAQI INVOLVEMENT IN LEBANON AGAINST SYRIAN FORCES LAST SUMMER. THE NET RESULT OF THESE EPISODES DEMONSTRATED ONCE AGAIN THE SOUNDNESS OF THE AXIOM THAT EGYPT CANNOT MAKE PEACE WITHOUT DAMASCUS AND ITS COROLLARY THAT SYRIA CANNOT MAKE EVEN LIMITED WAR WITHOUT CAIRO.

14. SYRIAN INHIBITIONS ABOUT THE PEACE PROCESS:

THREE PROBLEMS ARE COMMONLY IDENTIFIED AS RESTRAINTS ON ASAD'S ABILITY TO MOVE INTO THE PEACE PROCESS: DOMESTIC OPPOSITION TO NEGOTIATIONS, RADICAL ARAB PRESSURES, AND SYRIAN-PLO RELATIONS.

15. TOO LITTLE IS KNOWN ABOUT THE DYNAMICS OF SYRIA'S INTERNAL POLITICS. CONVENTIONAL WISDOM HOLDS THAT THE RULING BAATH PARTY HAS BECOME A MERE FACADE FOR ASAD'S EXERCISE OF A HIGHLY PERSONAL DICTATORSHIP. THAT MAY OVERSTATE THE CASE BUT IT SEEMS SAFE TO ASSERT THAT THE SO-CALLED EXTREMISTS IN THE BAATH WIELD MORE INFLUENCE IN DOMESTIC AFFAIRS, VIZ. BLOCKING MOVES FOR ECONOMIC LIBERALIZATION, THAN THEY DO IN FOREIGN POLICY. ASAD'S LATEST DIPLOMATIC AND MILITARY SUCCESSES IN LEBANON SEEM FOR THE MOMENT TO HAVE PUT HIM BEYOND THE REACH OF HIS CRITICS. IN ANY CASE, NO ONE OF THEM SEEMS SERIOUSLY DISPOSED TO SEIZE
SECRET

SECRET

PAGE 04 DAMASC 08478 02 OF 03 131316Z

POWER AND ASSUME THE RISKS OF GUIDING SYRIA THROUGH THE NEXT STAGE OF NEGOTIATIONS.

16. AMONG HIS FOREIGN ARAB CRITICS, ONLY IRAQ OFFERS

A SERIOUS CHALLENGE TO THE PRESIDENT. THE IRAQI CAPABILITY TO TRAIN AND LAUNCH ASSASSINATION TEAMS AGAINST THE SYRIAN LEADERSHIP HAVE ALREADY BEEN SUCCESSFULLY TESTED. INTELLIGENCE REPORTS INDICATE THEY WILL CONTINUE. NONETHELESS, THE PRESIDENT'S PERSONAL COURAGE AND FATALISM OPERATE TO KEEP HIM ON A STEADY COURSE. REPORTS, FOR EXAMPLE, DESCRIBE HIM AS ENTIRELY CALM IN THE WAKE OF THE RECENT ATTEMPT ON THE LIFE OF HIS FOREIGN MINISTER.

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PAGE 01 DAMASC 08478 03 OF 03 131423Z

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S E C R E T SECTION 3 OF 3 DAMASCUS 8478

EXDIS

17. SYRIA'S RELATIONS WITH THE PALESTINIAN MOVEMENT PROMISE TO EXERCISE A MUCH MORE COMPLEX INFLUENCE ON HOW DAMASCUS WILL APPROACH PEACE NEGOTIATIONS. ASAD REMAINS CONVINCED THAT THE SECURING OF PALESTINIAN RIGHTS REMAINS THE CORE PROBLEM FOR AREA STABILITY. HIS CONVICTION THAT THE ARABS MUST FOCUS ON PALESTINIAN RIGHTS IS DEEPER THAN HUSSEIN'S, AND PROBABLY SADAT'S AS WELL. HE UNHESITATINGLY RESTATED HIS SUPPORT FOR THE PLO AS THE SOLE REPRESENTATIVE OF THE PALESTINIANS JUST AFTER HE BROUGHT THEM MILITARILY TO THEIR KNEES. ON THE OTHER HAND, ASAD'S CONTEMPT FOR THE PRESENT PALESTINIAN LEADERSHIP IS MANIFEST AND HIS POLITICAL-MILITARY CONFRONTATION WITH THEM OVER THE PAST YEAR AND A HALF IN LEBANON HAS DEEPEDED HIS CONVICTION THAT THE LEADERSHIP MUST SOMEHOW BE MADE RESPONSIVE TO DAMASCUS' CONTROL. HOW HE WILL GO ABOUT THIS IS UNCLEAR, BUT SIGNS ARE MULTIPLYING THAT HE AND SADAT MAY BE DEVELOPING THEIR OWN DEFINITION

OF WHAT "PALESTINIAN NATIONAL RIGHTS" WILL CONSIST.

18. WHY SYRIA WILL NEGOTIATE:

ASAD WILL TRY NEGOTIATIONS BECAUSE PEACE WILL LET HIM DIVERT TO ECONOMIC DEVELOPMENT AT LEAST SOME OF THE RESOURCES NOW SPENT ON HIS MILITARY. HE WILL NEGOTIATE FOR PEACE ALSO BECAUSE SADAT WANTS TO DO SO AND THE EVENTS OF 1976 HAVE MADE IT PLAIN SAUDI ARABIA WILL NOT FINANCE A SYRO-EGYPTIAN CONFRONTATION. ECONOMIC PRESSURES ON ASAD ARE FAR LESS THAN
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PAGE 02 DAMASC 08478 03 OF 03 131423Z

ON SADAT. IN SYRIA'S BASICALLY SOLID AGRICULTURAL ECONOMY, NO ONE IS STARVING; AND FAR FROM BEING OVERPOPULATED, SYRIA FACES AN ACUTE LABOR SHORTAGE IN MANY SECTORS. BUT ASAD ALSO WANTS SAUDI MONEY; SYRIA'S OWN DEVELOPMENT HAS BEEN FALTERING AND INFLATION CONTINUES AT ABOUT A WORRISOME THIRTY PERCENT RATE. ASAD RECOGNIZES THAT ONLY WHEN HE IS ABLE TO GET THE PALESTINIAN MONKEY OFF HIS BACK WILL HE BE ABLE TO DEVOTE THE ATTENTION AND RESOURCES NEEDED TO BRING HIS COUNTRY TO THE LEVEL WHICH HE WANTS IT TO ATTAIN AND GIVE THE HIGHER STANDARD OF LIVING TO HIS FELLOW CITIZENS WHICH THEY INCREASINGLY DEMAND.

19. HE WILL BE A TOUGH AND SKEPTICAL NEGOTIATOR WHO SHARES SADAT'S PROFESSED BELIEF THAT MANY OF THE HISTORICAL HATREDS BETWEEN ARAB AND ISRAELI CAN ONLY BE RESOLVED BY THE NEXT GENERATION. HE HAS ALLOWED SOVIET-SYRIAN TENSIONS OVER LEBANON TO BE SMOOTHED OVER BECAUSE HE WILL LET NOTHING INTERFERE WITH THE STEADY DELIVERY OF MILITARY SUPPLIES TO SYRIA. HE IS DETERMINED TO MAINTAIN A CREDIBLE MILITARY ALTERNATIVE TO THE PEACE TALKS. WHILE HE PRESENTLY APPEARS DISPOSED TO FOLLOW CAIRO'S LEAD IN DEVELOPING THE ARAB POSITION FOR NEGOTIATIONS, THE DISTANCE HE IS READY TO TRAVEL ALONG WITH SADAT IS NOT YET CLEAR. HE AND MOST SYRIANS OF OUR ACQUAINTANCE HOWEVER, HAVE COME TO TERMS PSYCHOLOGICALLY WITH ISRAEL'S RIGHT TO EXIST, BUT THERE HAVE BEEN NO SIGNS THAT THEY WOULD COMPROMISE ON THE RETURN OF TERRITORIES ISSUE. (HIS CONCEPT OF PEACE HAS BEEN ENDLESSLY (AND SIMPLISTICALLY) REITERATED AS REQUIRING THE RETURN OF ALL LANDS OCCUPIED IN 1967 AND SECURING OF PALESTINIAN NATIONAL RIGHTS. HE REMAINS CAGEY ABOUT WHAT THE LATTER CONSIST OF, REFERRING HIS QUESTIONERS TO THE PALESTINIANS THEMSELVES. IN VIEW OF PALESTINIAN DIVISIONS, THIS IS A CYNICAL POSTURE. AT BEST IT REFLECTS HIS CHARACTERISTIC CAUTION AT NOT GETTING OUT IN FRONT OF THE ARAB WORLD ON THIS ISSUE.)

2. PROSPECTS FOR U.S. INFLUENCE ON SYRIA:

OUR POLITICAL DIALOGUE WITH THE SYRIAN LEADERSHIP, WHILE NOT FOCUSED DIRECTLY ON RESUMING THE PEACE PROCESS,

HAS BECOME NOTABLY FRANKER AND MORE RELAXED IN THE COURSE
OF 1976. ASAD HAS RECENTLY PUBLICLY STATED HIS INTEREST
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PAGE 03 DAMASC 08478 03 OF 03 131423Z

IN CLOSER RELATIONS. THE PRESIDENT'S OVERALL APPRECIATION
OF OUR RELATIONSHIP REFLECTS BOTH HIS DESIRE THAT SYRIA
BENEFIT FROM BETTER BILATERAL ECONOMIC TIES AND HIS
REALISTIC APPRAISAL OF THE STRENGTH OF U.S.-ISRAELI
RELATIONS AND OUR COMMITMENT TO THE SECURITY AND
SOVEREIGNTY OF ISRAEL.

21. OUR COUNSEL TO THE SYRIANS THAT ARAB UNITY,
PARTICULARLY BETWEEN RIYADH, CAIRO, AND DAMASCUS, WILL BE
BASIC TO PROGRESS TOWARDS A PEACE SETTLE-
MENT NO LONGER AROUSES SUSPICIONS OF U.S. DUPLICITY. THE
SECRETARY'S PUBLIC STATEMENTS OF THE NEED FOR A COMPREHENSIVE
MIDDLE EAST SETTLEMENT HAVE UNDOUBTEDLY PLAYED A PART IN
IMPROVING OUR DIALOGUE. IN ADDITION, THE SYRIANS APPRECIATED
THE CONSISTENCY OF OUR POSITION TOWARDS THE LEBANESE
CRISIS. ASAD HAS PUT BEHIND HIM HIS SHARP EXASPERATION AT
OUR ADVICE OF LAST WINTER TO KEEP HIS TROOPS OUT OF LEBANON.
HAVING NEVER APPROVED SYRIA'S MILITARY INTERVENTION IN THAT
COUNTRY WHILE STEADILY VOICING SUPPORT FOR SYRIAN POLITICAL
INITIATIVES, WE AVOIDED ENGAGING IN THE DOUBLE TALK OF
CERTAIN ARAB NATIONS AND THE SOVIET UNION.

22. ANOTHER ASSIST TO OUR DIALOGUE HAS BEEN SYRIAN APPRECIATION
OF OUR MORAL SUPPORT FOR ITS INDEPENDENT NATIONAL POLICY
DURING THE JUNE-SEPTEMBER PERIOD WHEN DAMASCUS FACED INCREASING
CRITICISMS AND, PROBABLY, THREATS OF AN ARMS CUTOFF BY MOSCOW.
OUR RECENT EXPRESSIONS OF CONCERN ABOUT THE SITUATION IN SOUTH
LEBANON HAVE NOT RAISED SYRIAN HACKLES; THEY APPEAR TO ACCEPT THAT
OUR INTENTION HAS BEEN MERELY TO CONVEY OUR BEST ESTIMATE
OF LIKELY ISRAELI REACTIONS.

23. OUR ECONOMIC ASSISTANCE PROGRAM IS NOW AT THE POINT
WHERE WE WILL BEGIN TO IMPLEMENT A FEW BASIC DEVELOPMENT
PROJECTS. THESE ARE CAREFULLY STUDIED, USEFUL CONTRIBUTIONS
TO THE SYRIAN ECONOMY WITH A MODERATELY HIGH PROFILE WHICH
WILL BRING SOME 200 PRIVATE AMERICAN EXPERTS AND CONTRACTORS
TO THIS CAPITAL DURING THE NEXT TWO YEARS. THE RECEPTION
GIVEN VISITING PROMINENT AMERICANS SUCH AS SECRETARY SIMON,
TO PRIVATE BUSINESSMEN AND CONGRESSIONAL DELEGATIONS HAS BEEN
CONSISTENTLY WARM.

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PAGE 04 DAMASC 08478 03 OF 03 131423Z

24. THE PAST THREE YEARS OF U.S. DIPLOMACY HAVE STIMULATED AWARENESS HERE THAT THE OVERLAP BETWEEN U.S. AND ISRAELI NATIONAL INTERESTS IS NOT TOTAL. THIS AWARENESS WILL BE ONE INCENTIVE TO KEEP THE SYRIANS ENGAGED IN NEGOTIATIONS. ASAD WILL NOT FEEL THE SAME PRESSURES AS SADAT TO MOVE RAPIDLY BUT WILL PROBABLY SEEK TO STAY IN HARNESS WITH CAIRO. IF THE TWO CAPITALS ARE UNABLE TO SYNCHRONIZE THEIR APPROACH, A NEW STALEMATE IS LIKELY. HOWEVER, AS 1977 APPROACHES AND THE ARABS MOVE TO ORGANIZE THEMSELVES FOR A COMPREHENSIVE APPROACH TO SETTLEMENT, PROSPECTS ARE ENCOURAGING THAT SYRIA WILL LOOK FOR A WAY ENGAGE ITSELF POSITIVELY IN THE PRECESS AND THAT THE U.S. CAN PLAY AN INFLUENTIAL ROLE IN DAMASCUS.

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